

**MINUTES OF THE SPECIAL MEETING OF THE
LYNNWOOD CITY COUNCIL FINANCE COMMITTEE
HELD OCTOBER 22, 2020 AT 3:00 p.m. VIA ZOOM**

Attendance:

Council President Christine Frizzell
Councilmember Julieta Altamirano-Crosby
Councilmember George Hurst

Others:

Finance Director Sonja Springer
Interim Accounting Manager Janella Lewis
Strategic Planner Corbitt Loch

Executive Assistant Lisa Harrison

Update on the 2010 Utility Bonds Refinancing – Sonja Springer, Finance Director (0:39)

- Director Springer shared that on October 5, there were six proposals received from banks to refund/refinance the 2010 Utility Bonds. On October 9, it was decided to select JP Morgan Chase to refund/refinance the bonds as they were the lowest cost and had the best terms, a 1.45% fixed interest rate over the ten-year life of the new 2020 tax-exempt bonds. A summary of the six proposals received was in the agenda packet.
- The preliminary final numbers on the analysis of this refunding indicates an estimated net present value savings of over \$833,000, or over 14% from the original 2010 Utility Bonds; well over the minimum savings of 3% that was included in the bond ordinance.

Review of the 2020-2025 General Fund Financial Forecast – Sonja Springer, Finance Director (11:10)

- Director Springer reviewed the assumptions and exceptions considered for the 5-year forecast. She explained that it is a balancing act over the next few years depending on Covid-19 impact and sales tax rebound.
- She explained that in 2022 the city might again have to do another transfer from the Revenue Stabilization Fund, but by the end of 2025 it should all be paid back.

Update on the Aging of the Outstanding Utility Accounts Receivable – Janella Lewis, Acting Accounting Manager (49:53)

- Manager Lewis shared that unpaid balances are up significantly from 2019, as expected due to the pandemic. In September of 2019 the total of those owing money over 90 days was approximately \$118,00 compared to September of 2020 where it is over \$400,000. The first time the city started allowing people to go without paying and did not add late fees or turn off utilities. This is a concern because it is going to catch up with people.

Estimated Savings from Employees' Furloughs – Sonja Springer, Finance Director (1:02:19)

- The City offered employees to take voluntary furloughs this past summer in order to achieve some cost savings from the State's Shared Work Program.
- A total of 28 employees participated in this program, with 796 hours not worked.
- The total estimated savings from this program was \$38,288, about \$58,000 for the voluntary employee furloughs

46 • **Other Business**

47 The next meeting of the Finance Committee is scheduled for November 19, 2020.

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49 **Adjourn (1:18:36)**

- 50 • Meeting adjourned at 3:25 p.m.

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53 DocuSigned by:

54 *sonja springer*

55 Sonja Springer, Finance Director